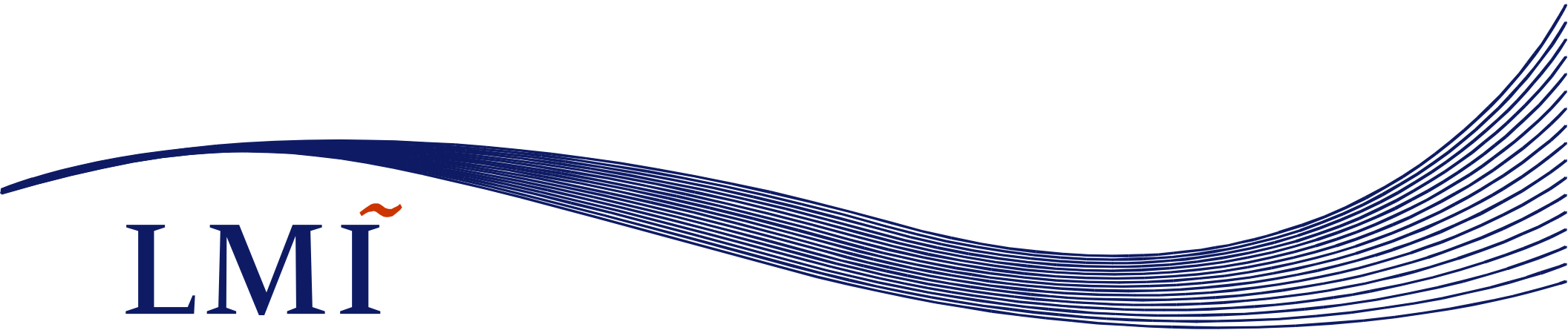
PMRWG Report Recommendations
Status of Implementation

PSMC Conference
April 21, 2010

LMI

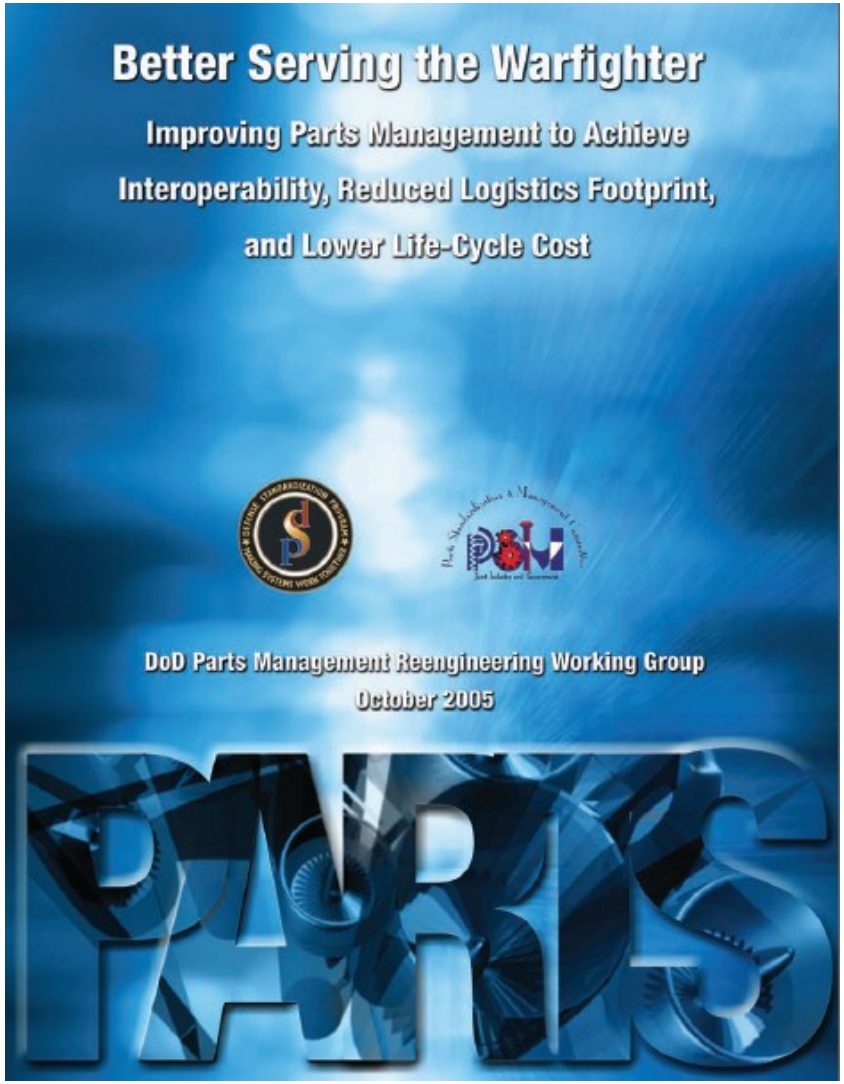


Agenda Slide

- Background & Purpose
- Final Report – Eight Major Recommendations
- Detailed Recommendations (23 topic areas)
  - Substantially Implemented
  - Partially Implemented
  - Not Yet Implemented
- Summary

Background - PMRWG

- March 18, 2004 – DSPO chartered PMRWG
- Mission - Examine parts management processes, assess the effectiveness of those processes, and determine the changes needed to significantly improve them.
- Team met on nine occasions between April 2004 and January 2005.
- PMRWG developed findings, conclusions, and recommendations for 23 separate parts management areas.
- October 2005 – Issued final report



LMI

Purpose

- Revisit PMRWG recommendations
- Assess progress in implementing recommendations
- Identify unfinished business
- Determine relevance and importance
- Determine next steps

Final Report – Eight Major Recommendations

1. Make Parts Management a Policy and Contractual Requirement
2. Revitalize Parts Management within the Systems Engineering Discipline
3. Create a Life-Cycle Part and Component Center of Excellence - (DPMP)
4. Develop Improved Parts Management Tools and Metrics
5. Improve DOD’S Parts Management Organization
6. Educate, Train, and Create New Communication (Marketing) Products
7. Build Key Partnerships and Relationships
8. Better Understand Parts Management Contribution to Performance-Based Logistics Objectives

1. Make Parts Management a Policy and Contractual Requirement

- Issued MIL-STD-3018: Parts Management
- Issued revised SD-19
- Inserted PM language into:
  - DAG Chapters 4 & 5 (Systems Engineering)
  - SD-22: DMSMS
  - MIL-HDBK-217
- Prepared policy letter (not yet signed)
- Few new contracts have PM contractual requirements (contracts cite MIL-STD-3018)
- Some OEMs focus strongly on PM

2. Revitalize Parts Management within Systems Engineering Discipline

- March 9, 2010 – DSPO transferred to OSD Systems Engineering
- Inserted PM language into:
  - Systems Engineering policy (DAG)
  - Systems Engineering guidance documents
  - Systems Engineering training
- Few Systems Engineering PM tools in DPMP
- Little emphasis on PM in milestone reviews

3. Create a Life-Cycle Part and Component Center of Excellence (DPMP)

- Create “one-stop-shop” for PM (DPMP)

- Integrate PM data resources into DPMP

  (part selection sources, common/preferred parts, etc.)
- Integrate PM tools into DPMP
- Integrate PM infrastructure into DPMP

  (DMSMS, GIDEP, IR, I&S, Qualification, etc.)
- Links to multiple sources of parts information

  (DPMP and Pin Point)
- Use DPMP as team collaboration resource

  (PSMC Counterfeit Team (Bill Scofield))

LMI

4. Develop Improved Parts Management Tools and Metrics

- Develop intelligent search engine (Pin Point)
- Better tools available for parts identification and selection (Pin Point)
- Links to multiple sources of parts information (Pin Point)

- Complete inventory of PM tools
- Matrix-based comparison of tools
- Matrix-based inventory of PM metrics
- Tools fully integrated into DPMP

LMI

5. Improve DOD'S Parts Management Organization

- Integrate DMSMS and GIDEP under DSPO
- Use joint government-industry group (PSMC) to ensure DPMP applicability, utilization, and to provide input to design
- Develop long-term strategy for streamlining and integrating PM processes within an integrated framework (DPMP)
- Explore new approaches for funding PM

LMI

6. Educate, Train, and Create New Communication (Marketing) Products

- Create a portal (DPMP) to support education and information sharing for each constituency in the PM community

7. Build Key Partnerships and Relationships

- PSMC effectively steer development of the DPMP

- DSPO identify organization that must participate and build partnerships (e.g. Sys Eng, PMs, OEMs)

- Build better communication, understanding, and working relationships throughout the parts management community

8. Better Understand PM Contribution to Performance-Based Logistics Objectives

- Conduct research and develop models to quantify the benefits of PM

Detailed Recommendations (23 Areas)

1. **Comprehensive Parts Management System**
2. **Defense Standardization Program**
3. **Joint Standardization Boards**
4. **Logistics Footprint**
5. **Interoperability**
6. **Policies, Procedures and Guidance**
7. **Acquisition Environment and Systems Engineering**
8. **Requirements and Contracting**
9. **Parts Selection**
10. **DMSMS**
11. **Reliability**
12. **Parts Selection Support**

Detailed Recommendations (23 Areas - Cont.)

13. **Data Management, Databases, and Tools**
14. **Performance-Based Logistics & Contractor Logistics Support**
15. **Best Practices**
16. **Item Entry Control**
17. **Item Reduction Program**
18. **DoD Interchangeability and Suitability Program**
19. **Defense Inactive Item Program**
20. **Business System Modernization and Enterprise Resource Planning**
21. **Metrics**
22. **Education and Training**
23. **Funding and Resources**

1. Comprehensive Parts Management System

- Advocate, promote, and provide resources for reengineering DoD's parts management system.

- Develop stakeholder consensus on the official boundaries of DoD's parts management system.

2. Defense Standardization Program

- Develop an integrated, comprehensive DSP strategy to increase awareness, understanding, and utilization of parts management and standardization concepts and resources.
- Increase DSP outreach to effectively inform the broader acquisition community about parts management and standardization strategies, practices, tools, and benefits.
- Establish strategic DSP relationships to build a broader advocacy base for parts management and standardization.

3. Joint Standardization Boards (JSB)

- Accelerate the process to create a JSB infrastructure.
- Develop and implement a strategy to promote, identify, define, and charter JSBs.
- Build a DoD leadership constituency that advocates and supports JSB development and operation.
- Define architectures and organizational relationships to facilitate smooth functional operation and integration of JSBs.

LMI

4. Logistics Footprint

- Authoritatively define logistics footprint.
- Conduct a logistics footprint study.
- Develop a logistics footprint model.
- Relate PM to logistics footprint.
- Include logistics footprint and PM language in contracts.

5. Interoperability

- **Ensure portal is capable of supporting interoperability initiatives.**
- **Promote standardization and PM strategies and tools for interoperability solutions.**
- **Seek opportunities for greater DSP participation in interoperability bodies.**
- **Document and demonstrate the role and application of standardization and PM in achieving interoperability.**
- **Consider designating an interoperability liaison in DSP.**
- **Build integrated support relationships with the interoperability community.**

6. Policies, Procedures and Guidance

- Revise acquisition policy, procedures, and guidance documents to address contract language supporting standardization, commonality, and PM.

- Promote using clauses in contracts that advocate or direct the use of PM and standardization concepts.

7. Acquisition Environment and Systems Engineering

- Establish relationships and partner with PM advocates in SE.
- Update SE publications to more thoroughly address PM.
- Integrate PM effectively into the Defense Acquisition Guidebook (Chapter 4: Systems Engineering) and in SE training.
- Develop PM language for inclusion in SE contract clauses and in requirements for technical reviews and audits.
- Raise PM visibility above the single program level.
- Develop new PM tools for systems engineers and key decision makers.
- Develop metrics for benefits of SE/PM discipline and decisions.

8. Requirements and Contracting

- Promote, through policies, directives, and educational materials, the inclusion of parts management clauses in all contracts.
- Develop model language and clauses for a range of contract types.
- Develop awareness, understanding, and relationships between DSPO, contracting, program management, interoperability, and acquisition policy proponents to ensure that contracts include parts management language.
- Educate military service and program management personnel on the importance and benefits of addressing standardization and parts management in PBL contracts.

9. Parts Selection

- Charter a government–industry group to define a consensus parts selection process for the new acquisition environment.
- Convert MIL-HDBK-512 to a MIL-STD and direct its use in contracts.
- Leverage government–industry bodies (PSMC) to address parts selection practices, tools, training, information, and guidance.
- Develop processes and tools to capture and communicate parts selection decisions.
- Develop tools and strategies for improving parts selection and standardization decisions across multiple platforms and for higher-level assemblies.

10. DMSMS

- Encourage utilization of design strategies that help mitigate DMSMS issues.
- Integrate DMSMS with other DSP PM processes and merge DMSMS and other parts data through the DPMP.
- Standardize DMSMS processes across DoD.
- Designate a single DMSMS focal point for DoD-wide program integration.
- Create DMSMS partnerships with industry and provide incentives for contractor participation.

11. Reliability

- Ensure MIL-HDBK-454 and similar documents provide an effective reliability baseline for parts selection and reliability management.
- Create a reliability-oriented user interface in the DPMP that provides the resources and tools needed for reliability-focused parts selection processes.
- Establish relationships between DSP and the reliability-focused communities and promote using the DPMP & PinPoint for identification and selection of high-reliability parts and components.

12. Parts Selection Support

- Identify, map, automate, and move the valuable elements of the MPCAG and MPCASS functions into the DPMP.
- Phase out MPCAGs as a separate entity when the demand from current users declines and phase out MPCASS as a system when its data are integrated into the DPMP & PinPoint databases.
- Use MPCAG personnel, to the extent practical, to staff other parts selection support positions.

13. Data Management, Databases, and Tools

- Define a clear vision, set of comprehensive system requirements, and concept of operations for DPMP/PinPoint.
- Develop a comprehensive DPMP/PinPoint implementation plan.
- Establish partnerships with government, industry, third-party, and international organizations to collaborate, participate, and support DPMP/PinPoint implementation and to use the completed system.
- Define, design, and create the optimal DPMP/PinPoint architecture and user interfaces, and determine the responsible organizations and host sites.
- Develop a business case and an aggressive marketing campaign to demonstrate the need for and benefits of DPMP/PinPoint and build a high-level constituency for championing DPMP/PinPoint .

14. Performance-Based Logistics & Contractor Logistics Support

- Establish acquisition policy that promotes PM and standardization for PBL and CLS contracts, including requirements for PM plans.
- Develop contract clauses that address PM and standardization considerations for CLS and PBL contracts.
- Create a PBL and CLS user interface in the DPMP/PinPoint for educating and supporting users in PM and standardization matters.
- Track PBL and CLS programs, their parts, and parts-related issues in the DPMP/PinPoint to understand the associated long-term issues and consequences.

LMI

15. Best Practices

- Define a structural framework for categorizing, organizing, and documenting PM best practices.
- Establish a best practice exchange within the portal and provide strategies and incentives for users to contribute to and draw from the exchange.
- Develop a DSP capability to review, evaluate, and identify best practices and to promote, communicate, and support the most useful best practices.

16. Item Entry Control

- Streamline, automate, and integrate the NSN request and IEC process in the portal and provide a user friendly and flexible tool for contractor use with incentives for participation and value added for users.

- Work with ECCMA to develop and promote eOTD as a universal, open cataloging standard.

17. Item Reduction Program

- Use the DLA Form 339 process for all non-procurable, critical-coded weapon system items.
- Develop a logical IR and I&S cost-benefit tracking and accounting mechanism and a strategy for funding IR studies linked to IR savings streams.
- Develop and implement strategies for effectively involving commodity councils, standardization boards, and other customers in the IR process.
- Define new success-oriented IR strategies and revise DoD 4120.24-M Appendix 8 to enable their use.

18. DoD Interchangeability and Suitability Program

- Develop a long-term strategy to structurally integrate the IR and I&S Programs.
- Develop a single enterprise-wide I&S solution and support it within a common operating environment using a single set of tools.
- Organize the IR and I&S Programs under a single advocate, facilitating efficient and effective integration and operation.
- Rationalize and streamline the IR and I&S coding requirements to satisfy the variety of uses of the existing code structures.

19. Defense Inactive Item Program

- Cease conducting DIIP reviews with military services.
- Conduct a study to determine how to more effectively use DIIP's functionality, capability, and information.
- Move the enhanced DIIP functionality to a modern platform.
- Develop strategies to:

  (1) retain and use information about DIIP items;

  (2) efficiently and cost-effectively retain, manage, and ultimately dispose of DIIP inventories; and

  (3) better support customer's long-term needs for very low-demand items.

20. Business System Modernization and Enterprise Resource Planning

- Develop requirements for a DPMP and define how its requirements relate to BSM and ERP systems and resources.
- Take actions to ensure that the standardization and PM communities are represented and engaged in BSM and ERP.
- Educate and inform members of the standardization and PM communities regarding BSM and ERP progress.

21. Metrics

- Develop a PM performance measurement plan that identifies the best metrics for each function, the means to capture the data required for each metric, and the strategies for managing and improving operations using the data.

- Develop strategies to integrate performance metrics into the portal and BSM, and tie these metrics to higher-level metrics such as availability, reliability, cost-per-unit usage, logistics footprint, and logistics response time.

- Coordinate metrics development with key stakeholders and use performance data to communicate with and educate users and customers.

22. Education and Training

- Develop a plan for PM and standardization education and training; identify topics, needs, objectives, target audiences, methods, desired outcomes, and delivery schedules.
- Develop curricula and courseware to execute the training plan.
- Develop a PM outreach program that includes marketing, government and industry collaboration, teaming arrangements, and outreach media.
- Ensure that PM training and education requirements are integrated into the design of the DPMP.

LMI

23. Funding and Resources

- Include PM and standardization requirements in contracts and allow contractors to fund and bill for their PM and standardization programs.
- Consider using savings from PM activities, such as IR studies, to perform PM activities in areas where funding is inadequate.
- Develop a long-term strategy to streamline and consolidate PM processes within a portal framework, with emphasis on process efficiency, outcome effectiveness, meaningful ROI, and balance between resources and benefits.
- Consider centralizing funding for standardization and PM to ensure strategic, focused, fair application of available resources; ensure effective integration of PM functions within a common information environment.
- Provide funding for infrastructure improvements and development of tools, models, and metrics.

Summary

- Eight Major Recommendations
  - 12 Substantially Implemented
  - 13 Partially Implemented
  - 7 Not Yet Implemented
- Detailed Recommendations
  - 13 Substantially Implemented
  - 37 Partially Implemented
  - 40 Not Yet Implemented
- Next Steps – Discussion – Tool Subcommittee

LMI